Manitoba

Preliminary Financial Report

Hon. Clayton Manness — Minister of Finance

For the Year Ended March 31, 1990

MG-5888

[redacted]

PROVINCE OF MANITOBA
NOTES TO THE PRELIMINARY UNAUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 1990

The following financial statements have been prepared by the Department of Finance and have not been audited by the Provincial Auditor. The amounts reported represent the most current data available and it is anticipated that they will remain largely unchanged when final statements are prepared for the fiscal year.

The financial results of the fiscal year have been prepared on a basis consistent with the accounting policies of the Provincial Government which are detailed in the Public Accounts. The comparative data shown for the 1988-89 fiscal year has been recast to reflect the organizational structure of Departments as established in the 1989-90 Estimates.

The deficit for the year was $144.5 million, consistent with the deficit level projected in the third quarter financial report issued in February. This is approximately $57.3 million more than the initial Budget Estimate, but $12.2 million less than the revised deficit of $156.7 million based on Main and Supplementary Estimates of Expenditure. Supplementary estimates totalling $69.2 million were approved during the year, primarily as a result of the severe forest fire situation that developed in the province in 1989. Total expenditures for the year were $4,750.2 million, a decrease of $85.1 million from the total expenditures authorized by the Main and Supplementary Estimates of Expenditure. Total revenue was $4,605.8 million, or $72.9 million less than the initial budget of $4,678.7 million. No funds were transferred from the Fiscal Stabilization Fund into General Revenue for 1989-90.

The estimated figures shown on the Statement of Expenditure include only the authority provided in the Main and Supplementary Estimates. In addition, $39.4 million was authorized by Special Warrant during the fiscal year and Statutory Appropriations were reduced by $62.2 million due to a decrease in requirements, resulting in a net decrease in fiscal year authority to $4,812.5 million. Of this, approximately $62.3 million lapsed at year-end.

	(Millions of Dollars)
Main Estimates	4,766.1
Supplementary Estimates	69.2
Total Expenditure Estimates	4,835.3
Special Warrants	39.4
Decrease in Statutory Appropriations	(62.2)
Total Expenditure Authority	4,812.5
Total Actual Expenditures	4,750.2
Total Expenditure Authority Lapsed	62.3

Additional funds were approved by Special Warrant to meet cost increases related to Financial Support - Schools ($14.9 million); Manitoba Housing and Renewal Corporation ($3.5 million); Road Construction ($2.5 million); Fire Suppression ($2.1 million); and other miscellaneous departmental requirements.

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PROVINCE OF MANITOBA
STATEMENT OF DIRECT AND GUARANTEED DEBT
AS AT MARCH 31, 1990
(with figures shown for March 31, 1989)
(UNAUDITED)

	1990	1989	NET INCREASE (DECREASE)
		(Thousands of Dollars)	
DIRECT DEBT:			
Gross Direct Debt	$10,028,369	$10,349,564	$ (321,195)
Less:			
Sinking Funds - Cash and Investments	1,865,847	1,501,848	363,999
Net Direct Debt	$8,162,522	$8,847,716	(685,194)
GUARANTEED DEBT:			
Gross Guaranteed Debt	$2,114,216	$2,012,580	101,636
Less:			
Sinking Funds - Cash and Investments	290,684	276,961	13,723
Net Guaranteed Debt	$1,823,532	$1,735,619	$ 87,913
Total Direct and Guaranteed Debt - Net of Sinking Funds	$ 9,986,054	$10,583,335	$ (597,281)
PURPOSE OF DEBT			
Crown Corporations, Agencies, Boards and Commissions	$4,994,885	$5,075,168	$ (80,283)
Other Purposes	1,039,788	967,116	72,672
	$6,034,673	$6,042,284	$ (7,611)
Less:			
Sinking Funds - Cash and Investments	476,333	449,245	27,088
	$5,558,340	$5,593,039	$ (34,699)
General Government Programs	$6,107,912	$6,319,860	$ (211,948)
Less:			
Sinking Funds - Cash and Investments	1,680,198	1,329,564	350,634
	$4,427,714	$4,990,296	$ (562,582)
PER CAPITA DEBT INFORMATION			
		(Dollars)	
Crown Corporations, Agencies, Boards and Commissions, and Other Purposes (Net)	$ 5,127	$ 5,159	$ (32)
General Government Programs (Net)	4,084	4,604	(520)
	$ 9,211	$ 9,763	$(552)

PROVINCE OF MANITOBA
NOTES TO STATEMENT OF DIRECT AND GUARANTEED DEBT

1. Debt payable in foreign currencies is stated at the Canadian dollar equivalent converted at the exchange rates in effect at March 31, 1990 and March 31, 1989. An improvement in exchange rates during this period reduced gross direct debt by $321.2 million, resulting in a net decrease of $318.5 million, and increased gross guaranteed debt by $101.6 million, for a net decrease of $17.3 million.

2. General Government Programs include $372.4 million of cumulative redeemable retractable 9 1/4% preferred shares issued by Manitoba Properties Inc. and guaranteed by the Province.

3. Per capita data is based upon population figures at June 1, 1989 and June 1, 1988 as reported by Statistics Canada.

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PROVINCE OF MANITOBA
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1990
(with comparative figures for March 31, 1989)
(UNAUDITED)

1988-89	1989-90	NET INCREASE (DECREASE)		1989-1990 ACTUAL	1989-1990 ESTIMATED	1989-1990 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
4,484,342	4,750,240	265,898	Total Budgetary Expenditure - Schedule I	4,750,240	4,835,311	(85,071)
4,342,957	4,605,765	262,808	Total Revenue - Schedule II	4,605,765	4,678,670	(72,905)
141,385	144,475	3,090	Deficit	144,475	156,641	(12,166)

NOTE: (1) Total Budgetary Expenditure for 1989-90 of $4,750.2 million includes $285.7 million of expenditure related to capital items (1988-89 - $275.8 million).

(2) Total Revenue for 1988-89 of $4,343.0 million reflects the transfer of $200.0 million to the Fiscal Stabilization Fund.

PROVINCE OF MANITOBA
STATEMENT OF EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1990
(with comparative figures for March 31, 1989)
(UNAUDITED)

SCHEDULE I

1988-89	1989-90	INCREASE (DECREASE)		1989-1990 ACTUAL	1989-1990 ESTIMATED	1989-1990 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
15,618	12,681	(2,937)	Legislation	12,681	13,140	(459)
3,153	2,954	(199)	Executive Council	2,954	3,288	(334)
88,204	82,384	(5,820)	Agriculture	82,384	91,620	(9,236)
63,654	68,096	4,442	Civil Service	68,096	69,863	(1,767)
7,518	8,381	863	Cooperative, Consumer and Corporate Affairs	8,381	8,698	(317)
20,626	20,641	15	Culture, Heritage and Recreation	20,641	21,440	(799)
816,592	871,416	54,824	Education and Training	871,416	858,553	12,863
13,508	13,402	(106)	Energy and Mines	13,402	13,109	293
9,883	11,764	1,881	Environment	11,764	12,190	(426)
446,343	485,417	39,074	Family Services	485,417	492,415	(6,998)
674,486	694,623	20,137	Finance	694,623	758,836	(64,213)
151,015	139,011	(12,004)	Government Services	139,011	149,823	(10,812)
1,429,251	1,520,680	91,429	Health	1,520,680	1,558,131	(37,451)
216,679	229,945	13,266	Highways and Transportation	229,945	228,008	1,937
50,067	56,093	6,026	Housing	56,093	50,447	5,646
32,368	34,834	2,466	Industry, Trade and Tourism	34,834	40,663	(5,829)
134,300	146,253	11,953	Justice	146,253	144,015	2,238
14,312	16,864	2,552	Labour	16,864	15,408	1,456
108,455	149,622	41,167	Natural Resources	149,622	152,655	(3,033)
43,432	33,346	(10,086)	Northern Affairs	33,346	34,723	(1,377)
52,476	55,617	3,141	Rural Development	55,617	57,890	(2,273)
47	196	149	Seniors Directorate	196	210	(14)
701	762	61	Status of Women	762	763	(1)
76,613	75,058	(1,555)	Urban Affairs	75,058	81,090	(6,032)
2,782	15,377	12,595	Flood Control and Emergency Expenditures	15,377	19,100	(3,723)
-	201	201	Environmental Innovations Fund	201	500	(299)
12,259	4,622	(7,637)	Allowances for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities	4,622	3,400	1,222
-	-	-	General Salary Increases	-	5,333	(5,333)
-	-	-	Year End Savings	-	(50,000)	50,000
4,484,342	4,750,240	265,898	TOTAL BUDGETARY EXPENDITURE	4,750,240	4,835,311	(85,071)

SCHEDULE II

PROVINCE OF MANITOBA
STATEMENT OF REVENUE
FOR THE YEAR ENDED MARCH 31, 1990
(with comparative figures for March 31, 1989)
(UNAUDITED)

1988-89	1989-90	INCREASE (DECREASE)		1989-1990 ACTUAL	1989-1990 ESTIMATED	1989-1990 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
			TAXATION:			
			Cooperative, Consumer and Corporate Affairs			
22,488	23,085	597	- Insurance Corporations Tax	23,085	23,400	(315)
			Energy and Mines			
5,705	6,890	1,185	- Oil and Natural Gas Tax	6,890	6,300	590
			Justice			
15,515	9,441	(6,074)	- Land Transfer Tax	9,441	12,070	(2,629)
			Finance			
			- Canada-Manitoba Income Tax Collection Agreement			
201,057	152,327	(48,730)	- Corporation Income Tax	152,327	167,300	(14,973)
1,029,943	1,031,094	1,151	- Individual Income Tax	1,031,094	1,038,500	(7,406)
59,672	72,525	12,853	- Corporation Capital Tax	72,525	62,000	10,525
121,957	126,023	4,066	- Gasoline Tax	126,023	129,150	(3,127)
199,191	191,268	(7,923)	- Levy for Health and Education	191,268	180,500	10,768
151,325	115,485	(35,840)	- Mining Tax	115,485	180,000	(64,515)
64,876	65,002	126	- Motive Fuel Tax	65,002	63,600	1,402
5,035	4,917	(118)	- Pari Mutuel Tax	4,917	5,000	(83)
594,708	621,730	27,022	- Retail Sales Tax	621,730	624,700	(2,970)
45,812	48,157	2,345	- Revenue Act, 1964, Part I	48,157	46,500	1,657
98,725	116,855	18,130	- Tobacco Tax	116,855	112,000	4,855
16,497	15,122	(1,375)	- Reciprocal Taxation	15,122	18,000	(2,878)
-	976	976	- Environmental Protection Tax	976	100	876
394	130	(264)	- Other Taxes	130	135	(5)
2,632,900	2,601,027	(31,873)		2,601,027	2,669,255	(68,228)
			OTHER REVENUE:			
9,864	10,838	974	Agriculture	10,838	10,359	479
6,467	7,646	1,179	Cooperative, Consumer and Corporate Affairs	7,646	6,925	721
12,967	13,831	864	Education and Training	13,831	13,059	772
4,633	5,422	789	Energy and Mines	5,422	5,082	340
6,512	6,248	(264)	Family Services	6,248	6,278	(30)
2,290	12,564	10,274	Finance	12,564	10,500	2,064
4,504	4,085	(419)	Government Services	4,085	4,574	(489)
40,816	44,335	3,519	Highways and Transportation	44,335	48,299	(3,964)
23,037	24,376	1,339	Justice	24,376	24,972	(596)
7,478	7,452	(26)	Labour	7,452	7,388	64
39,500	44,142	4,642	Natural Resources	44,142	46,447	(2,305)
150,202	145,950	(4,252)	Liquor Control Commission	145,950	153,000	(7,050)
10,000	-	(10,000)	Lottery Revenues for Health	-	-	-
16,092	14,601	(1,491)	Other	14,601	15,902	(1,301)
334,362	341,490	7,128		341,490	352,785	(11,295)

1988-89	1989-90	INCREASE (DECREASE)		1989-1990 ACTUAL	1989-1990 ESTIMATED	1989-1990 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
			GOVERNMENT OF CANADA:			
26,323	26,583	260	Education and Training	26,583	25,425	1,158
196,186	212,111	15,925	Family Services	212,111	214,186	(2,075)
13,925	14,574	649	Health	14,574	14,787	(213)
11,903	12,904	1,001	Justice	12,904	11,681	1,223
562	30,442	29,880	Flood Control and Emergency Expenditures	30,442	125	30,317
18,940	14,620	(4,320)	Other	14,620	15,540	(920)
			Finance:			
863,096	909,495	46,399	- Equalization	909,495	852,500	56,995
426,056	430,832	4,776	- Established Programs Cash Transfer	430,832	451,700	(20,868)
2,214	2,216	2	- Government of Canada Subsidy	2,216	2,200	16
1,559,205	1,653,777	94,572		1,653,777	1,588,144	65,633
4,526,467	4,596,294	69,827	TOTAL CURRENT OPERATING PROGRAMS	4,596,294	4,610,184	(13,890)
			REVENUE RELATED TO CAPITAL:			
			Other Revenue:			
3,056	751	(2,305)	Government Services	751	3,640	(2,889)
1,166	1,527	361	Highways and Transportation	1,527	1,675	(148)
440	843	403	Natural Resources	843	628	215
1,992	991	(1,001)	Other	991	2,555	(1,564)
920	2,117	1,197	Sale of Government Assets	2,117	3,500	(1,383)
7,574	6,229	(1,345)		6,229	11,998	(5,769)
			Government of Canada:			
3,477	975	(2,502)	Highways and Transportation	975	2,939	(1,964)
633	1,107	474	Industry, Trade and Tourism	1,107	1,796	(689)
4,806	1,160	(3,646)	Other	1,160	1,753	(593)
8,916	3,242	(5,674)		3,242	6,488	(3,246)
16,490	9,471	(7,019)	TOTAL REVENUE RELATED TO CAPITAL	9,471	18,486	(9,015)

1988-89	1989-90	INCREASE (DECREASE)		1989-1990 ACTUAL	1989-1990 ESTIMATED	1989-1990 VARIANCE
(Thousands of Dollars)				(Thousands of Dollars)		
4,342,957	4,605,765	62,808	TOTAL REVENUE BEFORE TRANSFER FROM/ (TO) FISCAL STABILIZATION FUND	4,605,765	4,628,670	(22,905)
(200,000)	-	200,000	Transfer from/(to) Fiscal Stabilization Fund	-	50,000	(50,000)
4,342,957	4,605,765	262,808	TOTAL REVENUE	4,605,765	4,678,670	(72,905)

PROVINCE OF MANITOBA
STATEMENT OF THE FISCAL STABILIZATION FUND
FOR THE YEAR ENDED MARCH 31, 1990
(UNAUDITED)

	(Thousands of Dollars)
Opening Balance as at April 1, 1989	200,000 (1)
Preferred Shares Received From Sale of Manfor Ltd.	77,639 (2)
Interest Earnings	25,000
Closing Balance as at March 31, 1990	302,639

NOTE: (1) The Fiscal Stabilization Fund was announced in the 1989 Budget. The Fund was established effective March 31, 1989 with $200 million from the exceptional revenue flows in 1988-89.

(2) The net proceeds from sale of Manfor Ltd., which are represented by preferred shares in Repap Enterprises Inc., were transferred to the Fiscal Stabilization Fund and will be retained in the Fund pending redemption in accordance with the terms of the divestiture agreement.